



PATENTS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:)
)
 Theresa M. Deggendorf) Art Unit: **3624**
)
Serial No.: **10/697,774**) Examiner: **Unassigned**
)
Filed: **October 30, 2003**)
) Atty Docket No: **08898.105002**
)
For: **Method and System for Tracking and**)
 Reporting Automated Clearing House)
 Transaction Status)

**PETITION TO MAKE SPECIAL AND TO ACCELERATE EXAMINATION
UNDER 37 C.F.R. § 1.102(d) AND MPEP § 708.02(VIII)**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

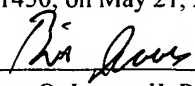
Sir:

Applicant respectfully petitions under 37 C.F.R. § 1.102(d) and in accordance with MPEP § 708.02(VIII) to accelerate examination of the above-identified application.

Applicant submits that all claims presented in the application are directed to a single invention. Nevertheless, Applicant will elect a single invention without traverse if the Patent Office determines that all claims are not directed to a single invention. If necessary, please contact Applicant's attorney by telephone to discuss such an election.

Applicant has conducted a search of Class 707 and Class 902 and Subclasses 1, 17, 35, and 39 within Class 705 for documents related to the subject matter encompassed by the claims. An Information Disclosure Statement (IDS) and accompanying Form 1449, submitted concurrently herewith, lists and provides copies of the references identified in that search, as well

I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail Post Office to Addressee, Label No. EV 371442923 US, in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on May 21, 2004.


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as other documents known to Applicant. Additionally, Applicant has provided below a detailed discussion of the cited documents.

Request for Pre-First Office Action Interview

A Request for a Pre-First Office Action Interview accompanies this Petition to Make Special. Applicant respectfully requests such an interview under the Patent Office's pilot program for applications classified in Class 705 and assigned to art unit 3624. See the U.S. Patent Office publication entitled *Notice of Pilot Program to Permit Pre-first Office Action Interview for Applications Assigned to Art Units 3624 and 3628 and Request for Comments on Pilot Program* ("Pilot Program Notice"). In addition to fulfilling the requirements of the Petition to Make Special, this Petition fulfills certain requirements specified by the Patent Office for requesting the pre-first Office Action interview, as discussed below.

State of the Art

As required in item (4)(a) in the "Procedures" section of the Pilot Program Notice, a general statement of the state of the art at the time of the invention follows.

The Automated Clearing House ("ACH") is a nationwide system, supported by the Federal Reserve Banks and other Operators, which processes electronically transmitted instructions to credit or debit financial accounts. By facilitating electronic transactions, the ACH provides an alternative to processing paper checks.

In a conventional ACH system, a party communicates a file, comprising ACH batches comprising ACH items, to the ACH Operator. After file receipt, a mainframe computer determines if it will accept the file for processing and settlement. The sending party cannot obtain the status of transmitted files until after the mainframe attempts processing. The mainframe periodically generates a downloadable report indicating the status of received files. That status includes only "processed" (accepted), "pending" (held), or "rejected." For files that are pending or rejected, the report includes only a general error description. The sending party does not receive status information for any specific files that have not been processed or for accepted batches or items. Through a trace function, the sending party can request status for a

particular item from the previous ten processing days but not from the current processing day. Current status of batches and files and a status history are not available.

Please see pages 6-8 in the background section of Applicant's patent application for a more complete discussion of the state of the art at the time of the invention.

Three References Believed to be the Closest Art

Applicant provides the information below in accordance with item (4)(b) of the Pilot Program Notice.

A) Claim 1 is the broadest claim and reads as follows:

A computer-implemented method for tracking and reporting the status of automated clearing house ("ACH") transactions processed by an ACH Operator, comprising the steps of:

receiving an ACH file for ACH processing, the ACH file comprising an ACH batch that comprises an ACH transaction item;

tracking a status of the ACH file during each of a plurality of ACH file processing events, the file processing events comprising at least one of receiving the ACH file, confirming the ACH file, and approving the ACH file and at least one of pending the ACH file, processing the ACH file, processing the ACH batch in the ACH file, and processing the ACH transaction item in the ACH batch; and

presenting the status of the ACH file in response to a query to obtain the status of the ACH file.

B) Applicant believes that the following three references are the "closest" prior art:

(1) *Fedline[®] User Guide, ACH*, Version 2.4, March 2002 (hereinafter the "Fedline User Guide");

(2) *2002 ACH Rules, A Complete Guide to Rules and Regulations Governing the ACH Network*, National Automated Clearing House Association, 2002 (including *Federal Reserve Bank Uniform Operating Circular [No. 4] on Automated Clearing House Items* effective June 25, 2001) (hereinafter the "2002 ACH Rules"); and

(3) U.S. Patent No 5,848,400 to Chang (hereinafter “the ‘400 Patent”).

C) Discussion of the three “closest” documents.

(1) The Fedline User Guide

The Fedline User Guide provides guidance to users at sending banks who are submitting ACH files via DOS-based terminals for ACH processing by the Federal Reserve Banks. The guidance includes descriptions of the features and functions that are accessible through the user interfaces of those terminals.

Under the heading “Batch Collection Overview” on page AH-32, the Fedline User Guide presents a high-level discussion of creating files by a user at a sending bank. The user collects one or more batches into an ACH file for subsequent communication to the Federal Reserve Banks. When a batch is collected into an ACH file, the batch’s local status changes to “collected.” Accordingly, the local status provides an indication of the status of the batch at the sending bank prior to communication to the Federal Reserve Banks. Thus, Applicant submits that the Fedline User Guide does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

Under the heading “Process Incoming ACH Files” on pages AH-81 and AH-82, the Fedline User Guide describes functions of the DOS-based user interface through which users at sending banks receive ACH files from the Federal Reserve Banks. The user can print a report of data received, copy files to external devices, mark an ACH file as processed, and delete files following ACH processing at the sending bank. The Fedline User Guide describes information available locally at the sending bank based on local actions. Thus, Applicant submits that the Fedline User Guide does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

Under the heading “ACH Messages Overview” on pages AH-87 through AH-94, the Fedline User Guide describes inquiries that a user at a sending bank can send to the Federal Reserve Banks to request information regarding ACH files submitted for processing. A “file trace” function allows a user to send an inquiry from a sending bank to the Federal Reserve ACH

processing system regarding the status of a file submitted for processing. An “item trace” function allows a user at a sending bank to request a status for individual items communicated to the Federal Reserve within ten previous business days. As described in Applicant’s background section, the sending party cannot obtain the status of transmitted files until after the mainframe attempts processing. The mainframe periodically generates a downloadable report indicating the status of received files. That status includes only “processed” (accepted), “pending” (held), or “rejected.” For files that are pending or rejected, the report includes only a general error description. The sending party does not receive status information for any specific files that have not been processed or for accepted batches or items. Through a trace function, the sending party can request status for a particular item from the previous ten processing days but not from the current processing day. Current status of batches and files and a status history are not available. Thus, Applicant submits that the Fedline User Guide does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

In summary, the Fedline User Guide describes local status information for ACH files at the sending bank and limited status information for transmitted files, consistent with the conventional systems disclosed in Applicant’s background section. Accordingly, Applicant submits that the Fedline User Guide does not teach or suggest the features recited in Claim 1 of Applicant’s patent application.

(2) The 2002 ACH Rules

The 2002 ACH Rules provides a general description of the ACH network and outlines rules that all network participants must follow. Applicant has provided copies of only the relevant portions of the 2002 ACH Rules. If desired, Applicant will provide a complete copy of that document for consideration by the Patent Office.

The section entitled *Understanding the ACH Network: An ACH Primer* provides a background discussion of the ACH network. Applicant directs the Examiner’s attention to that section for a good, short summary of the ACH network. Additionally, the *Operating Guidelines of the National Automated Clearing House Association*, Section IV, Chapter VI, “Mapping”

provides a detailed discussion of the required ACH file, batch, and item header information and discusses ACH header formats.

The *Federal Reserve Bank Uniform Operating Circular [No. 4] on Automated Clearing House Items* governs the clearing and settlement of commercial ACH credit and debit items by the Federal Reserve Banks, sending banks, and receiving banks. Section 6, under the heading “Processing of Items,” discusses processing ACH transactions by the Federal Reserve Banks. Paragraph 6.2 in particular describes the Federal Reserve Banks providing to a sending bank an acknowledgement of electronic receipt and limited processing of ACH files. An acknowledgement does not mean that a Federal Reserve Bank has accepted, and will not reject, the items contained in the files. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

Operating Rules of the National Clearing House Association, “Article Eight – Obligations of Automated Clearing House Operators” describes obligations of the Federal Reserve Banks and other ACH Operators for handling electronic transactions. This section includes requirements related to processing electronic transactions, rejecting transactions, and retaining records. Article Eight does not describe tracking the status of ACH files by the ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

Operating Guidelines of the National Automated Clearing House Association, Section II, Participant Relationships and Responsibilities, Chapter III, “ACH Operators” describes functions and general operating requirements of an ACH Operator such as the Federal Reserve Banks. This chapter includes requirements for delivering transactions for ACH processing, formatting transaction data, file acknowledgements, audit trails, and record retention. This chapter discusses ACH Operator file acknowledgements for ACH files. As discussed in more detail in the background section of Applicant’s patent application, only limited information previously was available from an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant’s independent Claim 1.

(3) U.S. Patent No 5,848,400

The '400 Patent is directed to a method and system for clearing and settling electronic financial transactions between financial institutions connected by a network. An electronic financial transaction clearing and settlement system 200 handles and processes electronic financial transactions on behalf of correspondent banks 204 and large regional banks 202, which are each linked to a settlement institution 210, such as the ACH. See column 3, lines 1-10 and 38-40. Each correspondent bank 204 has a financial transaction server 204 that transmits and receives electronic financial transactions to and from the financial transaction server 202 of its designated regional bank 202. Each regional bank 202 has a financial transaction server 202 that performs settlement and transaction forwarding services on behalf of the correspondent banks 204 serviced by that regional bank 202. See Abstract.

The financial transaction servers 202 of the regional banks 202 each have a front end processor 220, a payment processor 228, and a settlement processor 224. See Figure 3. The front end processor 220 receives financial transaction requests from customer stations and performs an initial pre-processing of received transaction requests. This preprocessing ensures compliance with electronic transaction formatting requirements and determines whether each transaction is a bill, electronic check, or credit. See column 3, lines 50-59. The payment processor 228 determines if financial transaction requests meet integrity criteria, rejects requests that do not meet integrity criteria, and passes authenticated requests to a settlement processor 224 for clearing and settlement via an ACH 210. See column 4, lines 3-13. Settlement logic within the settlement processor 224 of the regional bank 202 processes each received transaction request by updating a correspondent account balance associated with either the payor or the payee's financial institution 111, 104 and forwarding the received financial transaction to the payor or payee's financial institution 111, 104. The settlement processor 224 also forwards "return transaction" messages to and from its own bank 202 and to other financial transaction servers whenever an electronic check is returned due to insufficient funds in the payor's account. See column 5, line 61, through column 6, line 6.

The financial transaction clearing and settlement system 200 supposedly facilitates expeditious settling of transactions between institutions that regularly conduct business while

allowing other check settlements and fund transfers to be performed between institutions that conduct business less frequently and are remotely located from each other. See column 1, lines 49-54.

The document does not discuss the actual processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

Detailed Discussion of Other References Identified in Search or Known to Applicant

The following detailed discussion of the remaining documents listed in the IDS points out, with the particularity required by 37 C.F.R. § 1.111(b) and (c), how the claimed subject matter is patentable over each document.

U.S. Patent No. 5,717,868 to James is directed to translating dissimilar data file formats containing financial instrument information between financial institutions such as banks. More specifically, this patent discloses translating financial information in one data file format from an originating institution into another data file format for receipt by another institution. Information derived from the financial instrument information in the second data file format may be transmitted to a settlement mechanism. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent No. 4,727,243 to Savar is directed to a financial transaction system for use by retail establishments that enables a retail merchant's financial transactions to be monitored and recorded throughout a given business day. A host computer is available to assist the merchant in collecting, organizing, resolving, and settling a day's receipts in an automated fashion for prompt and accelerated payment. The system can communicate with an ACH via a dedicated or non-dedicated telephone line. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least

the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 6,246,999 to Riley et al. is directed to a method of reporting accounting information to banks by compiling accounting information from different processing systems to a mainframe and routing the accounting information to a database on a server. The server is operable with the World Wide Web to provide accessibility of the accounting information to bank clients via client stations. Through a client station, a bank can access summary reports related to ACH transactions. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 4,823,264 to Deming is directed to a system for electronic funds transfer that assures the availability of sufficient funds to execute the transfer. The system allows or disallows a transaction based on the sufficiency of the payor's funds to cover a proposed transaction. With this system, payors and their financial institutions, regardless of size, can utilize the services of an ACH. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 6,026,379 to Haller et al. relates to an electronic representation of a monetary system for implementing electronic money payments as an alternative medium of economic exchange. An active, on-line database, functioning as a memory cache, maintains a transaction log that tracks transaction information for access by a host computer. Upon a communication failure or another problem with a transaction, the host computer can access information from the transaction log to support completion of the transaction. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 6,141,651 to Riley et al. is directed to the presentation of transaction details for credit card processing via the World Wide Web. A funding and settlement system for integrated suspense processing includes a client station linked via the World Wide Web to a server that is connected to a database and a mainframe computer. The mainframe computer is operable to receive information related to credit card transactions from an ACH core system. Through the client station, a user can access reports that present ACH information and transaction details. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

Published U.S. Patent Application 2003/0182227 to Guzman is directed to a method of monitoring the status of an electronic transaction, for example an ACH transaction, by presenting transactional status information to a merchant through a computer interface such as a browser. A merchant can monitor certain status information of an account and determine whether particular transactions have been credited. The merchant can also interrogate a central database for check transactions that the merchant has executed. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 6,076,074 to Cotton et al. is directed to a system for continuous intraday final settlement of payment orders among multiple financial institutions whereby electronic payments between financial institutions are finally settled when transmitted. Prefunded accounts of each participating financial institution offset payments and receipts against other participating financial institutions. The system preferably is implemented with a computer system having the ability to communicate electronically with banks, including participating financial institutions and a Federal Reserve Bank providing settlement service. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

U.S. Patent 6,173,272 to Thomas et al. and U.S. Patent 6,317,745 to Thomas et al., which claims a divisional patent application relationship to the '272 Patent, are directed to a funds transfer system for facilitating electronic funds transfer between a payor and a payee via an intermediate trusted third party, which can be an ACH. The system comprises a payor station, a home banking system in electronic communication with the payor station, and a trusted third party system associated with the trusted third party. The home banking system gains access to an ACH network for financial services via electronic communication. These documents do not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that these documents do not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

A presentation-style document entitled *International Direct Deposit Overview* describes services offered by the Federal Reserve Banks related to international financial transactions such as international direct deposits. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

A presentation-style document entitled *International Direct Deposit Technical Walkthru* describes technical aspects of international financial transaction services of the Federal Reserve Banks. Via a web-based interface, Federal Reserve customers can access international financial transactions related to cash management, foreign exchange, and sending Social Security checks. The document does not discuss processing of ACH files by an ACH Operator. Accordingly, Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

A presentation-style document entitled *The Federal Reserve & Check-to-ACH Conversion* describes the U.S. payment system for financial transactions, the Federal Reserve Banks' role in the payments system, and the Federal Reserve Banks' check-to-ACH initiative to convert paper checks to ACH transactions. Applicant submits that this document does not teach

or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

Two presentation-style documents describe projects, programs, and policies at the Federal Reserve Banks related to check to ACH conversion. These two documents are entitled: (1) *Overview, Federal Reserve and Check to ACH Conversion (CTAC)*; and (2) *Overview of the Federal Reserve System's Check to ACH Conversion (CTAC) Product*. In addition to providing an overview of CTAC, these documents outline the Federal Reserve Banks' handling of CTAC processes, including electronically archiving documents for future research. Policies for retaining document images and other archived records are disclosed. Applicant submits that these documents do not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

A document entitled *ACH News from Europe* in Payments Journal describes a meeting of the European ACH Association in which attendees discussed ACH developments in their respective countries. Each European country has its own network with individual rules for processing ACH payments. This document discusses developments in Italy, United Kingdom, Norway, Sweden, Netherlands, France, and Switzerland. Applicant submits that this document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

Two presentation-style documents describe the status and direction of ACH in foreign countries, including countries in North America and Europe. These documents are entitled: (1) *International ACH -- Expanding the Gateway Concept Beyond Canada, Payments 2002, Electronic Payments: Formula for Success*; and (2) *ACH Goes Across the Border, South Florida Banking Institute*. These documents discuss the role of ACH and the Federal Reserve Banks in the flow of electronic payments across international borders. A Cross-Border ACH Model illustrates the electronic flow of money across international borders. Applicant submits that these documents do not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

FedACHSM Product Development Discussion, US Bank is a presentation-style document that describes the Federal Reserve Banks' product development initiatives related to ACH financial services. Applicant submits that the document does not teach or suggest at least the tracking of a status of an ACH file during each of a plurality of specified ACH Operator file processing events, as recited in Applicant's independent Claim 1.

Fee

Applicant has enclosed the \$130 petition fee required under 37 C.F.R. § 1.17(h). Applicant authorizes the Commissioner to charge any additional fee deemed necessary for consideration of this Petition, or to credit any overpayment, to Deposit Account No. 11-0980.

Conclusion

Based on the above, Applicant respectfully requests accelerated examination of the application and a pre-first Office Action interview. If any issues exist that can be resolved by telephone, please contact Applicant's attorney at the number provided below.

Respectfully submitted,



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